

**Duke Energy Carolinas' Response to
Vote Solar's Third Set of Written Discovery Request
Pursuant to S.C. Code Ann. § 58-4-55
Docket No. 2018-319-E
Related to Bad Debt
Date of Request: January 22, 2019
Date of Response: February 1, 2019**

☐ CONFIDENTIAL

☒ NOT CONFIDENTIAL

The attached response to Third Data Request #3-9, was provided to me by the following individual: Elaine A. McCallister, Manager, Nonresidential & Sourced AP Operations, and was provided to Vote Solar under my supervision.

Heather Shirley Smith
Deputy General Counsel
Duke Energy Carolinas, LLC

DUKE ENERGY CAROLINAS

Request:

- 3-9 Please provide all studies, analyses, memos, workpapers, or written documents of any nature that disaggregate the source of Bad Debt to the Company by the following:
- (a) Customer class;
 - (b) Geography (e.g., zip code, census block, etc.) (for residential Bad Debt);
 - (c) Socio-economic status of the customer (for residential Bad Debt).

Response:

No studies, analyses, or memos of the nature requested currently exist. Further, DEC does not obtain or maintain customer data based on zip code or socio-economic status in its billing system. Net charge offs are tracked by customer class.

**Duke Energy Carolinas' Response to
Vote Solar's Third Set of Written Discovery Request
Pursuant to S.C. Code Ann. § 58-4-55
Docket No. 2018-319-E
Related to Source of Arrears
Date of Request: January 22, 2019
Date of Response: February 1, 2019**

☐ CONFIDENTIAL

☒ NOT CONFIDENTIAL

The attached response to Third Data Request #3-10, was provided to me by the following individual: Elaine A. McCallister, Manager, Nonresidential & Sourced AP Operations, and was provided to Vote Solar under my supervision.

Heather Shirley Smith
Deputy General Counsel
Duke Energy Carolinas, LLC

DUKE ENERGY CAROLINAS

Request:

- 3-10 Please provide all studies, analyses, memos, workpapers, or written documents of any nature that disaggregate the source of arrears to the Company by the following:
- (a) Customer class;
 - (b) Geography (e.g., zip code, census block, etc.) (for residential arrears);
 - (c) Socio-economic status of the customer (for residential arrears).

Response:

No studies, analyses, or memos of the nature requested currently exist. Further, DEC does not obtain or maintain customer data based on zip code or socio-economic status in its billing system. Net charge offs are tracked by customer class.

**Duke Energy Carolinas' Response to
Vote Solar's Fifth Set of Written Discovery Request
Pursuant to S.C. Code Ann. § 58-4-55
Docket No. 2018-319-E
Related to Basic Facilities Charge
Date of Request: February 11, 2019
Date of Response: February 15, 2019**

☐ CONFIDENTIAL

☒ NOT CONFIDENTIAL

The attached response to Fifth Data Request #5-1, was provided to me by the following individual: Leigh A. Puryear, Community Relations Liaison, and was provided to Vote Solar under my supervision.

Heather Shirley Smith
Deputy General Counsel
Duke Energy Carolinas, LLC

DUKE ENERGY CAROLINAS

Request:

5-1 On February 10, 2019, an opinion article was published in the Greenville News by Mr. Kodwo Ghartey-Tagoe on the Company's proposed basic facilities charge increase, available in online form at <https://www.greenvilleonline.com/story/opinion/2019/02/10/opinion-why-duke-seeking-hike-s-c-fixed-basic-facilities-fee/2794505002/>.

(a) Please explain the full basis and understanding, including any supporting data, Mr. Ghartey-Tagoe relied upon in making the following factual assertions:

(1) "[M]ost utilities across South Carolina and the nation have similar charges, and other utilities are moving toward higher customer charges."

(2) "For instance, low-income families and seniors, who can least afford an increase, are not impacted any more than other customers by using less energy."

(3) "Many of our low-income customers actually have relatively high bills, which might correlate with a less energy efficient home."

(b) Is it Mr. Ghartey-Tagoe's contention that all or most solar customers are "low-usage" customers? Please fully explain what average monthly usage level Mr. Ghartey-Tagoe considers to be low-usage and high-usage in the context of this article.

(c) Does Mr. Ghartey-Tagoe acknowledge that currently the only way the Company is allowed to raise the basic facilities charge (or apply any additional recurring fixed fee) for residential solar customers is to raise the basic facilities charge (or apply any additional fee) for all residential customers?

(d) Does Mr. Ghartey-Tagoe acknowledge that the number of DEC's low-usage, low-income residential customers is higher than the number of DEC's low-usage solar customers?

(e) Does Mr. Ghartey-Tagoe acknowledge that the total bill impact of the residential basic facilities charge increase is more severe on low-usage customers than high-usage customers in terms of percentage of bill increase under the Company's proposed residential rates compared to current rates?

(f) Did the Company utilize an outside public relations firm to assist in drafting and placing Mr. Ghartey-Tagoe's article? If so, please identify the firm and identify whether

the Company's scope of work and engagement with the firm includes ongoing legislative efforts related to advancing the Company's position on residential solar customers and net energy metering

Response:

(a1): Please refer to the two attachments. The first file named "Vote Solar DR 5-1 _ SC Electric Utilities BFC" illustrates the utilities and cooperatives within South Carolina and their associated BFC. The second file named "Vote Solar DR 5-1 _ 50 States of Solar" from North Carolina Clean Energy contains information across the industry related to current and pending BFCs.



Vote Solar DR 5-1 _
50 States of Solar.pc



Vote Solar DR 5-1 _
SC Electric Utilities B

(a2): A review of residential usage for households with annual household income of \$30,000 or less identified an average monthly usage of 913 kWh which isn't significantly less than an average South Carolina customer using 1,100 kWh per month.

(a3): The average usage of 913 kWh for households with annual household income of \$30,000 or less includes customers above and below the average consumption. The Company isn't certain of the cause of higher usage other than perhaps extreme weather events, inefficient dwellings and renters who have no incentive to utilize EE products.

(b): No, it is not the Company's contention that all solar customers are low-usage. Solar generation does however reduce a customer's consumption. A "low-usage" customer is one using less than the class average consumption of approximately 1,100 kWh that is being subsidized by high-usage customers using greater than the class average usage.

(c): No, the Company could propose new rate schedules specific to residential solar customers.

(d): Yes.

(e): The Company agrees that customers with less than average usage, all other variables being held constant, will experience an increase in their monthly bills if the Company is allowed to increase its Basic Facilities Charge.

(f): No.